CBP TRADE AND TRAVEL REPORT

Fiscal Year 2021 | April 2022

U.S. Customs and Border Protection

Trade and Travel Report

Table of Contents

Introduction 4

Travel Facilitation 5

- Facilitating International Travel 5
- Responding to the COVID-19 Pandemic 5
- Transforming and Innovating Travel 6
  - Technology Deployments 6
  - Biometric Update 8
  - Preclearance 10
  - Public-Private Partnerships 10
  - Process Improvements 10
  - Agriculture 11

Trade Facilitation and Enforcement 11

- Responding to the COVID-19 Pandemic 12
  - COVID-19 12
- Protecting America's Domestic Industries from Unfair Competition 12
  - FY2021 Revenue and Trade Remedies 12
  - Revenue Protection –Antidumping/Countervailing Duty Enforcement 14
  - Enforce and Protect Act 14
  - Trade Agreements 15
  - Centers of Excellence and Expertise 16
  - Trade Community Outreach 16
  - Forced Labor 16
- Protecting Americans from Counterfeit and Unsafe Imports 18
  - E-commerce Strategy 18
  - Intellectual Property Rights Enforcement 19
  - Commercial Targeting and Analysis Center (CTAC) – Safety in Numbers 20
- Modernizing Trade Systems 20
  - eCERT 20
  - Customs Broker License Exam 20
  - Automated Commercial Environment (ACE) – Update 21
  - Next Generation Technology 21

Facilitation and Enforcement of Cargo 22
Non-Intrusive Inspection Technology 22
Unified Cargo Processing 23
International Mail 24
Opioid Detection Challenge 24
Donations Acceptance Program 24
Customs Trade Partnership Against Terrorism 25
Agriculture Inspections 27
Perishable Cargo Inspection Request 27

Conclusion 27

I. Introduction

U.S. Customs and Border Protection's mission of protecting the borders of the United States and facilitating legitimate trade and travel is not only a critical component of national security, it is also a significant driving force of the country's economic prosperity. CBP is committed to publishing the results of its key trade and travel programs and operations. This report summarizes CBP's Fiscal Year 2021 trade and travel facilitation and enforcement efforts.

The United States faced serious hardships during FY2021 because of the coronavirus pandemic. The impacts on travel were unprecedented and severe. After a decade in which travel increased more than **16 percent**, the volume of international travelers decreased in FY2021 for the second consecutive year due to constraints caused by dangerously rising infection rates and other public health safety impediments.

CBP processed more than **179 million** travelers at the ports of entry in FY2021, including more than **44 million** travelers at airports. Arriving air travelers decreased by **28.6 percent** when compared to the previous fiscal year due to the ongoing global pandemic. Furthermore, passenger volumes for all modes of transportation combined decreased **24.6 percent** with land travelers decreasing by **18.8 percent** and sea travelers decreasing by **77.4 percent**.

Despite the overall decrease in travel, biometric processing increased dramatically. CBP biometrically processed more than **48 million** travelers using biometric facial comparison technology at entry, exit and Preclearance locations with a match rate of more than **97 percent** in FY2021. CBP sees biometric technology as the way of the future, a means of achieving faster processing times for travelers and continuing the facilitation improvements that the agency has attained through other technologies and CBP's Trusted Traveler programs. Biometric technology has similarly been valuable in helping CBP accomplish its enforcement mission by confirming the identity of travelers exiting the country, proving that it is a vital element of national security and enforcing U.S. immigration laws.

Furthermore, CBP's biometric facial comparison technology has enabled the travel industry and traveling public to practice sound public health safety measures. The technology also will be a key component in restoring consumer confidence that travel is safe and will provide a solid infrastructure to build upon in the event of a future health crisis.

On the trade front, although the pandemic continued to have lingering impacts on global trade, CBP processed more entries and collected more duties than in FY2020, exceeding pre-pandemic levels in both volume and value. CBP processed **36.9 million** entries valued at over **$2.8 trillion** during FY2021 and collected approximately **$85.5 billion** in duties, a **14.9 percent** increase over FY2020. Overall, CBP collected approximately **$93.8 billion** in duties, taxes and other fees on behalf of the U.S. government in FY2021, representing a **133 percent** increase over a five-year period.

While CBP ramped up its efforts to accommodate increased trade flow and facilitate the movement of critical medical and health supplies, illicit actors worldwide attempted to make a profit importing unsafe goods into the U.S. commerce. In FY2021, CBP continued to target and seize illegal imports of counterfeit, unapproved or otherwise substandard COVID-19 related products that threatened the health and safety of American consumers. These seizures included **38,154** Food and Drug Administration-prohibited COVID-19 test kits, **just over 35 million** counterfeit face masks and **8,677** Food and Drug Administration-prohibited hydroxychloroquine tablets. **Fifty-three percent** of the seizures occurred in the express consignment environment, **18 percent** were discovered in incoming mail and roughly **31 percent** originated in China.

Additionally, after a record-breaking year in forced labor enforcement in FY2020, CBP established itself as a global leader in the fight to end forced labor, winning the 2021 Samuel J. Heyman Service to America Medals People's Choice Award, also known as "the Sammies." During the fiscal year, CBP issued **seven** new withhold release orders and published **two** new findings, the first findings published by the agency in over 24 years. CBP also worked closely with customs partners in Canada and Mexico to support implementations of forced labor provisions in the U.S.-Mexico-Canada Agreement, which requires both Canada and Mexico to implement their own forced labor prohibitions.

II. Travel Facilitation

Facilitating International Travel

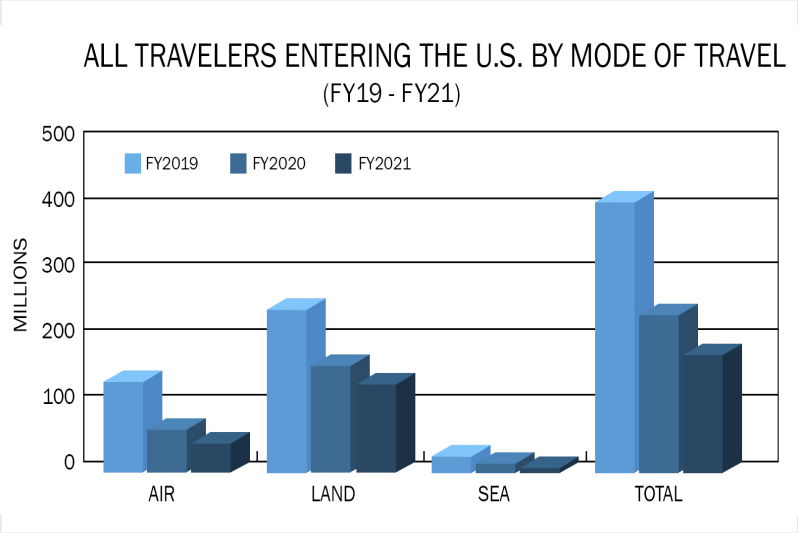
CBP continues to transform the international arrivals process to attract and welcome visitors to the United States, while maintaining the highest standards of security.

CBP officers processed more than **179 million** travelers at air, land and sea ports of entry, including more than **44.3 million** travelers at air ports of entry, amid a global pandemic and the challenges posed by various international travel restrictions during FY2021. These passenger volume numbers are consistent with expectations as the travel industry recovers from the coronavirus pandemic. However, as public health experts continue to discover new vaccines and therapeutics, CBP anticipates the easing of travel restrictions in the coming year and stands ready to facilitate the entry of legitimate travelers.

Responding to the COVID-19 Pandemic

The COVID-19 health crisis continued to severely impact travel to the United States during FY2021. The emergence of the highly contagious Delta variant spread faster and more easily than early forms of SARS-CoV-2, the virus that causes COVID-19. Over 166 countries reported cases of the variant during the fiscal year. As the crisis continued to unfold, CBP saw a **25 percent** decrease in traveler volume in FY2021, compared to FY2020. Despite the decrease in passenger volume, CBP observed significant increases in inadmissible noncitizen encounters, which rose **14 percent**, while interception of dangerous drugs and illicit currency at our nation's ports of entry fell **4 percent** and **32 percent** respectively in comparison to the prior fiscal year.

CBP steadily enforced Presidential Proclamations 9984, 9992,10143, 10199 and 10315, which temporarily suspended the entry of certain noncitizens into the United States traveling from China, Iran, the Schengen Area, United Kingdom, Ireland, Brazil, India, South Africa, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia and Zimbabwe along with temporary land border restrictions with Canada and Mexico. These actions were a direct result of science-based data to mitigate further international spread of the disease.



In response to these unprecedented times, CBP prioritized the safety and security of its workforce while maintaining legitimate global economic trade and travel. The agency also instituted health and safety guidelines consistent with recommendations from the Centers for Disease Control and Prevention (CDC) and the CBP Occupational Safety and Health Division (OSH). Additionally, necessary engineering controls designed to protect CBP officers and other personnel from unnecessary exposure to the disease were implemented.

CBP has taken every precaution to keep its workforce, their families and the American public safe as the agency accomplishes its mission. To minimize exposure to COVID-19, the CBP workforce is using social distancing to the maximum extent possible as well as appropriate personal protective equipment ranging from gloves to N95 respirators, eye protection, disposable outer garments and other gear based on infectious disease risks, job functions and job settings. CBP has worked with stakeholders to ensure there is appropriate signage for adequate social distancing and that hand sanitizer, mask usage and enhanced cleaning is properly utilized. Plexiglass barriers also have been added to CBP inspection areas, where operationally feasible, to add an extra layer of protection and to make travel as safe as possible.

Transforming and Innovating Travel

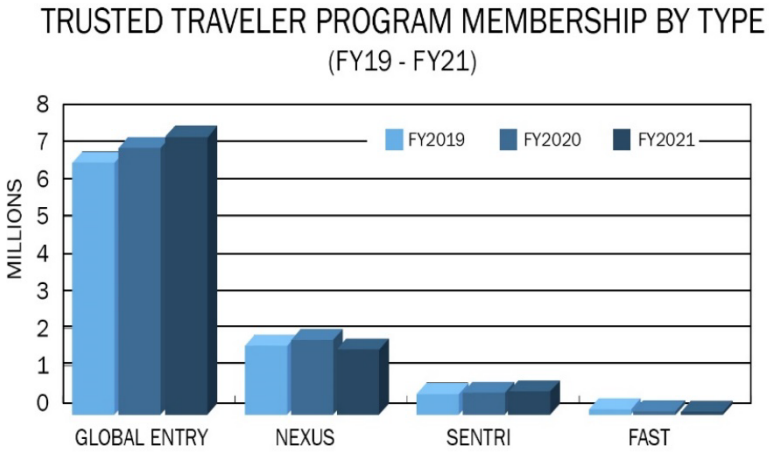
CBP has embarked on transformative initiatives to expand air, land and sea traveler technologies, grow trusted traveler programs, implement biometrics, automate forms collection and eliminate duplicative processes. The goal of these initiatives is to create a traveler experience that is secure, straightforward, efficient and best-in-class.

Technology Deployments

Trusted Traveler Programs, Automated Passport Control (APC), Mobile Passport Control (MPC) and Radio Frequency Identification (RFID) Ready Lanes at ports of entry have provided

travelers with user-friendly technology that enhances their inspection experience while expediting the entry process.

CBP received **803,715** initial applications and enrolled **1,707,886** new and renewing members into one of the four Trusted Traveler programs: Global Entry, NEXUS, SENTRI or FAST in FY2021. More than **9.7 million** members enjoyed the benefits of expedited processing as a Trusted Traveler in FY2021. Overall membership for CBP's Trusted Traveler programs grew by **1.5 percent** during the fiscal year.



The majority of Trusted Travelers in FY2021, over **7.4 million**, are members of CBP's flagship program, Global Entry. Global Entry members have access to automated kiosks at **61** U.S. airport and **14** Preclearance locations. During FY2021, Global Entry's membership grew by **4.1 percent.** No new partner countries were added.

CBP's Enrollment on Arrival program enables conditionally approved Global Entry applicants to complete their interview while clearing CBP processing at one of **66** participating airports, **six** of which were launched in FY2021. More than **543,000** Global Entry members have used the Enrollment on Arrival program to complete their membership enrollment.

To address the growing volume of Global Entry travelers, CBP launched a Global Entry facial comparison pilot program at Orlando International Airport on June 21, 2018. Facial comparison technology has reduced the processing time at Global Entry kiosks by almost **90 percent** and was expanded to **22** additional airports during FY2021. The average Global Entry facial comparison transaction takes less than **five** seconds versus **40-45** seconds at a legacy kiosk.

CBP launched three pilot programs in FY2021. An e-Gate pilot was completed at Dallas Fort Worth International Airport (DFW) with touchless e-Gates using facial comparison technology. A touchless kiosk pilot was launched at Los Angeles International Airport (LAX) in September 2021, using facial comparison technology. Additionally, a remote interview pilot was launched in February 2021, allowing eligible renewing Global Entry members to complete their renewal interview virtually using Zoom for Government video communication technology.

APC and MPC allow travelers to enter their biographic information and answer travel-related questions needed prior to inspection —eliminating paperwork for the traveler and an administrative task for the CBP officer. APC kiosks are available for use at **22** locations, including most major U.S. international airports and Preclearance locations. MPC expanded to **two** additional ports of entry (Salt Lake City International Airport in Salt Lake City, Utah and Kansas City International Airport in Kansas City, Missouri) in FY2021, making the app available to U.S. citizens and Canadian visitors at **34** U.S. ports of entry (**30** airports and **four**

seaports). In FY2021, more than **3 million** travelers used APC kiosks and approximately **1.1 million** trips were processed using MPC, accounting for almost **2.8 percent** of all air travelers entering the United States.

Historically, these initiatives have resulted in higher traffic volume, faster processing and shorter wait times for arriving travelers at the busiest U.S. international airports. However, with pandemic travel restrictions in force, air passenger volume decreased for a second consecutive year. A total of **44.3 million** air passengers were processed at all U.S. airports, a **28.6 percent** decrease from FY2020. Additionally, average wait times increased by almost two minutes, ending three consecutive years of declining wait times.

At land border ports of entry, nearly **32.8 million** arriving travelers used ready lanes, dedicated primary vehicle lanes at land ports of entry for travelers with RFID documents, to expedite their entry into the United States in FY2021.

Biometric Update

CBP furthered plans in FY2021 to implement an integrated biometric entry-exit process that provides significant benefits to travel industry partners, mitigates pathogen transmission and meets the congressional mandate for a biometric entry-exit system. CBP is leading efforts to streamline the travel process by providing industry stakeholders with a secure, automated platform for identifying and matching travelers to their identities. The technology allows CBP and its stakeholders to make quicker, more informed decisions.

CBP uses a traveler's face as the primary way of identifying the traveler to facilitate entry and exit from the United States, while enhancing security and protecting the privacy of all travelers. This biometric technology transforms how travelers interact with airports, airlines, cruise lines, CBP and other government agencies with security functions such as the Transportation Security Administration (TSA)—creating a seamless travel process that is both reliable and secure.

CBP is committed to its privacy obligations and has taken steps to safeguard the privacy of all travelers.[1] CBP employs strong technical security safeguards and limits the amount of personally identifiable information used in the facial biometric process. U.S. citizens can voluntarily participate. Photos of U.S. citizens and otherwise exempt noncitizens used for biometric matching purposes are held in secure CBP systems until identity verification is complete, but for no more than 12 hours, and are then deleted. If a traveler cannot be matched by the facial comparison service, the individual must present his or her travel documents to a CBP officer or airline representative for manual inspection.

CBP biometrically processed more than **48 million** travelers using biometric facial comparison technology across entry, exit and Preclearance locations with a match rate of more than **97 percent** during FY2021. To ensure higher accuracy rates and efficient

[1] For additional information on CBP's privacy protection efforts, see the Traveler Verification Service Privacy Impact Assessment, available at: https://www.dhs.gov/publication/dhscbppia-056-traveler-verfication-service.

traveler processing, CBP compares traveler photos to a very small gallery of high-quality images that those travelers have already provided to the U.S. government such as passport and visa photos. CBP uses a facial comparison algorithm, which shows virtually no measurable differential performance in results based on demographic factors. CBP continually evaluates the performance of this algorithm and is partnering with the National Institute of Standards and Technology (NIST) to further enhance biometric facial comparison technology.

CBP recognized the health and safety benefits of a touchless biometric identification service and, in FY2021, accelerated its deployment of Simplified Arrival to ensure maximum utilization. Simplified Arrival is an enhanced international arrival process that quickly and reliably verifies a traveler's identity biometrically and retrieves traveler records from CBP systems using the traveler's face. This eliminates time-consuming steps for most travelers such as document scans and repeat fingerprint captures, resulting in a more efficient inspection process. This efficient inspection process allows for shorter connection times and standardized arrival procedures as well as reduced risk of pathogen transmission. To date, CBP has deployed Simplified Arrival to **199** airports, including **14** Preclearance locations.

CBP's biometric facial comparison technology can have a direct, positive impact on the travel industry's ability to restore consumer confidence that travel is safe. Using biometric technology, air and sea partners can replace check-in, security and boarding processes that involve long lines, heavy personal interaction and the handling of travel documents. Facial biometric technology encourages contactless travel that involves minimal physical contact, which increases the safety of travelers, CBP officers and port personnel. In FY2021, CBP and its partners operated biometric exit technical solutions at **32** airports.[2]

In addition to streamlining travel and restoring consumer confidence, the use of facial biometrics protects the identity of travelers and adds another layer of security. Biometrics have proven to be an effective tool in combatting the use of stolen and fraudulently presented travel and identity documents. Since the program's inception in 2018, CBP officers at U.S. airports have successfully intercepted **46** impostors who were denied admission to the United States and identified **916** imposters on arrival in the land pedestrian environment. Additionally, since June 2017, CBP has biometrically confirmed over **100,000** overstays.

Furthermore, CBP and TSA continued to evaluate the use of biometric facial comparison technology for identity verification in FY2021. The overall goal of the partnership is to enhance security and the use of resources while moving towards an end-to-end seamless travel experience. By leveraging CBP's biometric facial comparison technology and TSA's Secure Flight indicator, a passenger pre-screening program, the agencies have streamlined TSA's security process. During the week of March 1, 2021, CBP and TSA launched the biometric facial comparison technology at Detroit Metropolitan Wayne

[2] See CBP's biometric website, available at: https://biometrics.cbp.gov/.

County Airport (DTW) for domestic and international travelers. TSA and CBP are currently developing the rollout schedule for expansion to additional sites.

In addition to the air environment, CBP is piloting biometric capabilities at the land border in both the pedestrian and vehicle environments and in partnership with the cruise line industry in the sea environment. During FY2021, nearly **15 million** pedestrian travelers were processed at **71** crossing locations. In September 2021, CBP launched a Simplified Arrival-Vehicle pilot in Anzalduas, Texas, to begin evaluating the use of facial biometrics to process travelers in passenger vehicles. The evaluation is ongoing.

Similarly, in the sea environment, in FY2021, over **400,000** travelers were processed at **seven** seaports. In 2021, **eight** major cruise lines and **one** ferry operator were engaged with CBP to develop facial biometric processing for closed-loop voyages.

Preclearance

More than **2.9 million** air travelers, representing over **6.5 percent** of all commercial air travel to the United States, were precleared at one of CBP's **15** air Preclearance locations in Canada, Ireland, the Caribbean (Aruba, The Bahamas, Bermuda) and the United Arab Emirates in FY2021. Through Preclearance, travelers undergo CBP immigration, customs and agriculture inspections before boarding a flight to the United States at a foreign airport rather than upon arrival in the United States. In addition to pre-clearing air travelers, Preclearance inspected **505** passengers traveling via cruise ship, ferry, or train through immigration pre-inspection operations in Vancouver and Victoria, Canada.

Public-Private Partnerships

CBP selected **27** new private and public sector partners for participation in the Reimbursable Services Program in FY2021, providing the opportunity for the stakeholders to request increased or enhanced inspection services. Through the end of FY2021, CBP had expanded the Reimbursable Services Program to **254** stakeholders, covering **181** ports of entry in **20** field offices. These services include customs, immigration, agriculture processing and border security at the ports of entry. CBP provided nearly **83,000** additional processing hours at the request of stakeholders in FY2021—accounting for the processing of more than **550,000** travelers and over **250,000** cargo inspections. There were no recorded personal or commercial vehicles processed during FY2021.

Process Improvements

CBP's Traveler Communications Center, a 24/7 resource for formal and informal public inquiries related to CBP's Admissibility and Passenger Programs, served a record number of travelers in FY2021. Due to the COVID-19 pandemic, CBP received a significant spike in inquiries related to arrival and departure information and CBP's Trusted Traveler programs. The Traveler Communications Center, established in October 2017, was designed to improve the traveler experience by providing timely information, accurate responses to common questions, application assistance, troubleshooting and other

guidance for travelers using the Electronic System for Travel Authorization (ESTA), the Electronic Visa Update System (EVUS), the Arrival and Departure Information System (ADIS), I-94 arrival and departure forms and CBP's Trusted Traveler programs. During FY2021, the Traveler Communication Center responded to **38,929** ADIS program calls, a slight decrease in calls from the previous fiscal year. Conversely, the center responded to a significant increase in calls for CBP's Trusted Traveler programs, which received **289,321** inquiries compared to **185,377** calls the previous year. CBP's Trusted Traveler programs also received an increase in inquiries regarding COVID-19, responding to **60,744** COVID-related calls in FY2021, compared to **48,377** calls in FY2020. CBP's other travel programs all saw a reduction in the number of calls received over the previous year including **20,387 EVUS** inquiries, **49,973 ESTA** inquiries and **3,653 Imminent Travel** calls for last minute information about the status of traveler applications.

Agriculture

CBP agriculture specialists, with their extensive training and expertise in biological sciences and agriculture inspection, conducted approximately **624,706** interceptions of prohibited plant materials and either meat or animal byproducts at U.S. ports of entry during FY2021, while submitting **26,748** pest detections.

In addition, a cadre of biological subject matter experts who are part of CBP's BioThreat Exclusion program, created in FY2020, continued to recognize and prevent potentially harmful biological agents from entering the United States. These experts are single points of contact that aid CBP in combatting this growing threat by providing oversight and guidance on field encounters of biological interdictions; internal and external training; and outreach to the trade community, research institutions and academic partners. For FY2021, CBP tallied **216** significant encounters of reported biological material.

III. Trade Facilitation and Enforcement

CBP remains the agency that collects the second largest amount of revenue for the federal government and is committed to its dual role of trade facilitation and revenue protection. Our trade operations are focused on creating a level playing field for American businesses, protecting consumers and reducing trade costs. The work we do to accomplish our trade mission fosters economic prosperity through innovative solutions and technology, which support an intelligence and risk-based enforcement approach. CBP maintains this central focus while enforcing nearly **500** U.S. trade laws and regulations on behalf of **49** partner government agencies. Strong partnerships, collaboration with public and private stakeholders and trade laws provide the critical framework required for the agency to confront the unique and unprecedented challenges presented by the COVID-19 pandemic and an ever-evolving trade landscape.

Responding to the COVID-19 Pandemic

COVID-19

CBP saw a dramatic increase in trade volume during FY2021. Despite the disruptive effects of the COVID-19 pandemic on global supply chains, entry summary volume increased by **13 percent** compared to FY2020. The volume and value of shipments entering the United States were not only higher than the previous year, they also surpassed pre-pandemic levels, continuing a trend of steadily increasing volume that was temporarily interrupted by the health crisis.

While CBP ramped up its efforts to accommodate the increased trade flow and facilitate the movement of critical medical and health supplies, illicit actors worldwide attempted to make a profit from illegally imported goods. In FY2021, CBP continued to target and seize illegal imports of counterfeit, unapproved, or otherwise substandard COVID-19 related products that threatened the health and safety of American consumers. These seizures included **38,154** Food and Drug Administration-prohibited COVID-19 test kits in **53** incidents, **over 35 million** counterfeit face masks in **670** incidents and **8,677** Food and Drug Administration-prohibited hydroxychloroquine tablets in **59** incidents. **Fifty-three percent** of the seizures occurred in the express consignment environment, **18 percent** were discovered in incoming mail and roughly **31 percent** originated in China. CBP also collaborated with partner government agencies to expedite medical supplies and personal protective equipment through the customs clearance process, while working to identify and intercept fraudulent, unapproved, or otherwise substandard material.

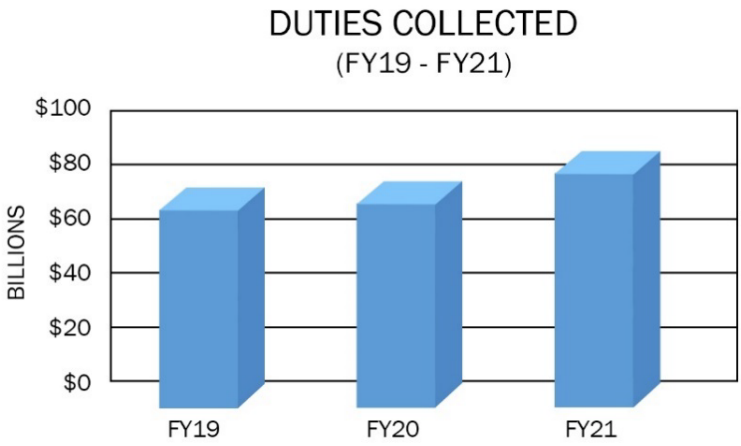
In addition, CBP's COVID-19 Cargo Resolution Team (CCRT), comprised of a network of subject matter experts from across the agency, continued to help fulfill a range of mission needs. The CCRT triaged incoming requests from importers and customers; coordinated with federal, state and local government agencies; facilitated inbound shipments through ports of entry; expedited importation of critical medical supplies; and responded directly to inquiries about the importation of personal protective equipment, COVID-19 test kits, ventilators and other medical supplies. In FY2021, the CCRT responded to **939** questions from the trade community and facilitated clearance of **788** Operation Warp Speed shipments filled with critical medical supplies from legitimate vendors and international donors. Operation Warp Speed, launched in May 2020, was a public-private partnership initiated by the U.S. government to facilitate and accelerate the development, manufacturing and distribution of COVID-19 vaccines, therapeutics and diagnostics.

Protecting America's Domestic Industries from Unfair Competition

FY2021 Revenue and Trade Remedies

CBP processed **$2.8 trillion** in imports in FY2021, equating to **36.9 million** entries and more than **32.7 million** imported cargo containers at U.S. ports of entry. Overall, CBP collected approximately **$93.8 billion** in duties, taxes and other fees on behalf of the U.S. government in FY2021. These numbers represent a significant increase in trade volume and value over a five-

year period. Despite the pandemic, CBP collected **$85.5 billion** in duties, a **14.9 percent** increase over FY2020 and a **143 percent** increase over the past **five** fiscal years.



Much of the increase in duty collections in FY2021 is attributed to the ongoing assessment and collection of duties on steel, aluminum, washing machines, washing machine parts, solar panels and goods from China. These duties as well as certain quotas on steel and aluminum imports were instituted during FY2018, pursuant to Sections 201 and 301 of the *Trade Act of 1974* and Section 232 of the *Trade Expansion Act of 1962*.

CBP continued to play a key role in administering these additional duties and quotas and worked closely with representatives from the Department of Commerce and the United States Trade Representative, among others, to provide technical guidance on the implementation and ongoing administration of the new remedies. As a result, CBP assessed more than **$955 million** in Section 201 duties, **$445 million** in Section 232 aluminum duties and nearly **$1.6 billion** in Section 232 steel duties in FY2021. For Section 301 goods from China, CBP assessed more than **$44 billion** in duties during FY2021, a **29 percent** increase over the previous year. CBP updates these assessments on a weekly basis on www.cbp.gov.

CBP's Office of Trade established a trade remedies branch in FY2018 to oversee implementation and administration of the remedies. In FY2021, the branch implemented **15** Federal Register Notices and **two** Presidential Proclamations related to the remedies and coordinated **23** sets of detailed import instructions for trade stakeholders via CBP's Cargo Systems Messaging Service communications system.

CBP continues to play a significant role in the exclusion process for Section 232 and 301 duties. For Section 232 duties, eligible companies can petition the Department of Commerce for exclusion from the duties. Throughout the process, the Department of Commerce seeks CBP's determination as to whether the tariff classification provided by a requestor is consistent with the description of the merchandise for which an exclusion is sought. This allows CBP to properly apply a granted exclusion when the merchandise is imported and the entry is filed. Since the inception of the exclusions, CBP has processed over **270,000** Section 232 product exclusions granted by the Department of Commerce.

From October 1, 2020 to September 30, 2021, CBP completed **109,400** timely administrability reviews from requests for exclusion from steel and aluminum Section 232 tariffs. The portal received an average of **2,170** requests per week and CBP processed an average of **305** requests per day, most within hours of receipt.

Revenue Protection –Antidumping/Countervailing Duty Enforcement

CBP is committed to rigorous and judicious enforcement of all U.S. trade laws. This includes collecting antidumping and countervailing duties (AD/CVD) that result from orders issued by the Department of Commerce, allowing American companies to compete fairly in the global economy. AD/CVD ensure that U.S. entities are not harmed by anti-competitive behavior.

In FY2021, **$30.2 billion** of imported goods were subject to AD/CVD. CBP assessed approximately **$2.4 billion** in AD/CVD deposits and levied monetary penalties totaling over **$43 million** on importers for fraud, gross negligence and negligence of AD/CVD requirements. CBP entry summary reviews during FY2021 also resulted in recovery of over **$75 million** in AD/CVD duties owed. Additionally, CBP's audit services identified more than **$568 million** in AD/CVD discrepancies, with **$6.3 million** collected by the end of FY2021. Finally, during FY2021, CBP and U.S. Immigration and Customs Enforcement (ICE) seized shipments with a domestic value of more than **$10.6 million** for AD/CVD violations.

CBP enforced **96** new AD/CVD orders during FY2021, a **17.7 percent** increase over the number of orders in place the previous year. At the end of FY2021, **634 AD/CVD orders** were in effect compared to **540 orders** at the conclusion of FY2020.

When combatting AD/CVD evasion, CBP takes an agency-wide approach to enforcement, working in partnership with the trade community and other government agencies. CBP employs multiple methods of targeting AD/CVD evasion through internal mechanisms at the ports of entry, industry-specific Centers of Excellence and Expertise where post-release activities are processed and on a national level at CBP's National Targeting Center.

In addition to self-initiated targeting, CBP also responds to allegations received from industry and partner government agencies. CBP received **125 e-Allegations** concerning the evasion of AD/CVD orders in FY2021. CBP received the majority of these allegations via the e-Allegations online trade violations reporting system; however, some of the allegations originated from interagency referrals. CBP trade specialists and subject matter experts research and review each allegation carefully to determine the validity of the allegation in terms of trade law violations and take appropriate enforcement actions.

Enforce and Protect Act

The Enforce and Protect Act (EAPA) program remains a very successful approach to investigating large-scale, highly coordinated duty evasion schemes. Through EAPA, CBP established formal procedures for members of the trade community to submit allegations of duty evasion. CBP then investigates the allegations of evasion of AD/CVD orders against U.S. importers. In FY2021, CBP implemented EAPA enforcement actions that prevented importers from evading over **$375 million** in duties owed to the U.S. government. CBP officially received **54** new allegations under EAPA from interested parties, initiated **48** EAPA investigations and took interim measures in **41** EAPA investigations to protect revenue owed to the U.S. government. In FY2021, CBP issued final determinations of evasion for **44** investigations, a **47 percent** increase from FY2020.

As required by statute, CBP also issued **nine** administrative review determinations, providing *de novo* review of EAPA investigation determinations in FY2021.

In support of the EAPA investigations, CBP conducted **five** foreign on-site visits or verifications in Cambodia, Vietnam, Singapore and the Dominican Republic during FY2021. From EAPA's inception, CBP has met every statutory deadline for all EAPA investigations, even rendering decisions on interim measures in some cases ahead of required deadlines. EAPA investigations cover a wide range of commodities including diamond sawblades, steel and steel pipe products, aluminum extrusions, quartz surface products, plywood, glycine, steel wire garment hangers, xanthan gum, wooden bedroom furniture, wooden cabinets and vanities and light-weight thermal paper.

Trade Agreements

FY2021 was the first full fiscal year that the United States-Mexico-Canada Agreement (USMCA) was enforced. CBP worked closely with the U.S. Department of the Treasury, U.S. Department of Labor, U.S. Department of Commerce and the U.S. Trade Representative to ensure a comprehensive and smooth implementation. More than **$543 billion** of U.S. imported products claimed USMCA preferential treatment in FY2021. The top two industries by value were automotive and agriculture.

CBP collaborated with the U.S. Department of Labor's Wage and Hour Division to implement USMCA's labor value content requirement for automotive rules of origin during FY2021. Because of this requirement, USMCA is the first U.S. trade agreement to require a partner government agency to participate in the assessment of preferential treatment claims. CBP formed a USMCA working group within the Commercial Customs Operations Advisory Committee (COAC) to collaborate directly with the private sector on the continuing implementation of the USMCA, including its impacts on the entry process, compliance requirements and CBP's new enforcement capabilities. To ensure the most current information was available, CBP conducted **33** external stakeholder engagements, held **23** training sessions, produced **six** informational videos and issued **10** new or updated guidance materials to CBP personnel and the trade community.

CBP also continued to work toward implementing the forced labor component of the USMCA, which pertains to labor conditions in international trade. The agreement requires that all parties prohibit the importation of goods sourced from forced labor and that the countries involved coordinate their forced labor-related capacity building and enforcement efforts. The U.S. prohibition on the importation of goods made with forced labor was in effect before the inception of USMCA, but now, with the agreement, CBP actively works with the governments of Canada and Mexico to implement the prohibition on forced labor and violative goods from entering these neighboring countries as required by the agreement.

Additionally, during FY2021, CBP participated as a member of the Interagency Environment Committee for Monitoring Enforcement, a collaborative body of 11 government agencies that support USMCA environmental provisions. The committee leverages environmental authorities

such as the *Lacey Act*, the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* and the *Endangered Species Act of 1973* to ensure plant and animal products entering the United States, Mexico and Canada, are produced, harvested and sold sustainably.

Centers of Excellence and Expertise

CBP consistently applies risk-based methodologies to protect U.S. revenue and identify those who try to evade U.S. trade laws. In FY2021, all 10 Centers of Excellence and Expertise (Centers) processed post-release trade activities on an account and industry-wide basis and targeted evasive and unfair trade practices. The Centers are the operational entity responsible for identifying, assessing and prioritizing risks within their respective industries with a focus on CBP's priority trade issues. The Centers also administer the collection of trade remedies as well as lead and carry out operations to detect and deter unlawful trade activities.

Trade Community Outreach

Private sector collaboration is a CBP priority. Today's ever-evolving trade landscape is far too dynamic to be managed by CBP alone. We depend on private sector partners to provide support, expertise and feedback to help us facilitate, enforce, pursue, develop and implement policies to preserve U.S. economic security. CBP cannot realize its vision of a fast, secure, data-driven 21st century trade environment without the invaluable collaboration and support of the trade community.

CBP builds and maintains partnerships with the trade community, using every opportunity to obtain industry knowledge and expertise to ensure facilitation of legitimate international trade. In FY2021, CBP conducted **over 135** outreach events with U.S. manufacturers, importers and other members of the trade community to increase awareness of critical trade-related issues such as forced labor, intellectual property rights, import safety and the implementation of free trade agreements such as USMCA.

CBP hosted the agency's second Virtual Trade Week in July 2021, which drew nearly **3,000** industry and government attendees. The event featured a series of panel discussions designed to educate the trade community and to keep industry engaged during the COVID-19 pandemic.

Forced Labor

As a result of CBP's groundbreaking efforts, the agency has emerged as a global leader in forced labor enforcement, winning the *Samuel J. Heyman Service to America Medals People's Choice Award* in FY2021. CBP's actions send a clear, consistent message to the international trade community: The U.S. government will not tolerate forced labor in American supply chains.

Over the past five years, exercising the authorities provided by the *Tariff Act of 1930,* as amended by the *Trade Facilitation and Trade Enforcement Act of 2015*, CBP has developed a robust civil investigative program to identify and prevent goods made by forced labor from entering the United States. Both laws prohibit the importation of goods into the United States

that are mined, manufactured, or produced wholly or in part from forced labor, including forced child labor.

As part of its authorities, CBP can detain and exclude goods produced with forced labor by issuing withhold release orders (WRO) at the ports of entry if information reasonably, but not conclusively, indicates that merchandise is made with forced labor and is being or likely to be imported. CBP also can seize goods by issuing findings if there is probable cause the merchandise is made with forced labor.

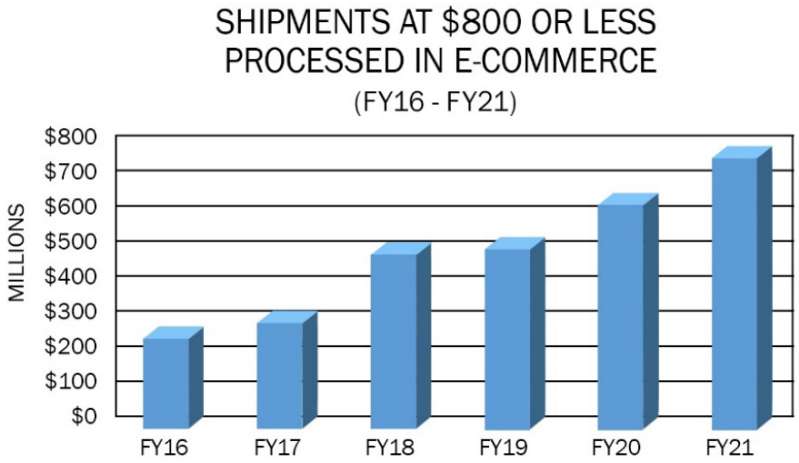
CBP enforced **49** active withhold release orders and **seven** active findings in FY2021. **Seven** of these WROs and **two** of the findings were issued as new during the fiscal year. While CBP issued fewer WROs in FY2021 than in FY2020, the WROs that were issued in FY2021 were more complex and impactful. The estimated value of shipments detained pursuant to WROs and seized pursuant to findings rose from just under **$50 million** in FY2020 to over **$485 million** in FY2021. The WROs and findings issued by CBP in FY2021 targeted a wide array of products ranging from disposable gloves and cotton products to seafood and palm oil. Most of these products originated in China; however, a significant number came from Malaysia.

CBP's aggressive enforcement actions also resulted in four separate producers taking corrective measures to remediate indicators of forced labor, improving both working and living conditions for thousands of workers in addition to repaying more than **$30 million** in recruitment fees that trapped workers in debt bondage. After the producers demonstrated remediation of all of the identified forced labor indicators, CBP modified three WROs and one finding, which allowed the producers to resume exporting their products to the United States. The producers include a tobacco company in Malawi, a bone black (also referred to as bone char or bone charcoal) manufacturer in Brazil, a hand-knotted wool carpet manufacturer in Nepal and a disposable glove company in Malaysia.

CBP has worked extensively to develop relationships with civil society organizations, the media, private sector businesses and other government agencies to gather timely information on forced labor in global supply chains and to educate the trade community on U.S. compliance standards. As part of these efforts, during FY2021, CBP hosted, facilitated and participated in numerous seminars, conferences and meetings to inform interested stakeholders of CBP's authorities and answer questions. In June 2021, CBP hosted a forced labor enforcement industry event where private sector vendors presented tools and technologies for tracing the origin of raw materials and providing supply chain transparency. Throughout FY2021, CBP also continued to host quarterly civil society roundtable discussions where civil society and nongovernmental organizations as well as other external entities involved in combatting forced labor have an opportunity to learn about the agency's forced labor enforcement efforts and provide feedback. In addition, CBP leads the Forced Labor Interagency Working Group, which brings together several different agencies to address issues of forced labor around the world.

Protecting Americans from Counterfeit and Unsafe Imports

E-commerce Strategy



E-commerce continues to grow exponentially as more consumers are increasingly completing purchases online. These purchases typically ship through international mail and express courier services. The total volume of *de minimis* shipments (shipments valued at $800 or less) increased across all modes of transportation from FY2020 to FY2021. The largest increase occurred in the air environment, where *de minimis* shipments rose by approximately **23 percent** with over **660 million** shipments in FY2021. During the previous year, CBP saw a significant decrease in imports in the air environment, resulting from the COVID-19 pandemic. The substantial increase in FY2021 indicates that air shipment volumes returned to pre-pandemic levels. Adversaries seek to exploit this volume, threatening U.S. economic interests with risks in the form of intellectual property rights (IPR) infringement as well as safety risks from poor quality and untested consumer products. In FY2021, **89 percent** of IPR seizures were found in express and international mail shipments.

In addition to the exponential growth in small package volume and the associated risks, this growth has created a paradigm shift in the traditional roles and responsibilities associated with importing into the United States. Traditional supply chain roles within the e-commerce industry are evolving to meet consumer demand with some sales platforms now acting as logistics providers, marketing platforms handling e-payments and start-ups racing to meet consumer demand. This shift also has led to the creation of a new class of importers—everyday consumers who are unfamiliar with trade laws and requirements. Consumers now initiate most imports, presenting CBP with additional challenges.

To address these challenges, CBP launched the Section 321 Data Pilot in which CBP and voluntary participants from the trade community are collaborating to secure e-commerce supply chains to protect American consumers. "Section 321" refers to the section of the *Tariff Act of 1930* as amended (19 U.S.C. § 1321), which provides for an administrative exemption that allows merchandise not exceeding $800 to enter free of duty or taxes. The purpose of the pilot is to improve CBP's ability to identify and target high-risk e-commerce shipments including narcotics, weapons and products posing a danger to the public's health and safety. In January 2020, the first nine pilot participants—Amazon, eBay, Zulily, FedEx, UPS, DHL, technology firm PreClear, as well as logistics providers XB Fulfillment and BoxC Logistics—were selected. The pilot also was expanded to allow for ocean and international mail shipments. In August 2021, CBP extended the current pilot programs through August 2023 for further evaluation.

CBP also has been conducting the Entry Type 86 test, which is another voluntary test related to Section 321 *de minimis* entry processing. The Entry Type 86 pilot enables customs brokers and self-filers to electronically submit *de minimis* entries via the Automated Broker Interface, including those subject to data requirements of partner government agencies for clearance. Launched in August 2019, the Entry Type 86 test provides an automated release mechanism and visibility into the contents of *de minimis* shipments.

CBP received over **500 million** filings from these two programs during FY2021. The key findings include:

- Significant reduction of manual processing and allowing for same-day clearances (compared with 6-8 day wait times).
- Approximately **$2 billion** in time and cost savings associated with Entry Type 86 electronic clearances.
- Quicker, more accurate risk assessment and adjudication for CBP.
- Fewer CBP holds because Section 321 Data Pilot participants provide seller information, product pictures and other transactional details.

Intellectual Property Rights Enforcement

Trade in counterfeit and pirated goods threatens America's innovation, the competitiveness of our businesses, the livelihoods of U.S. workers and, in some cases, the health and safety of consumers and U.S. national security. CBP is on the frontline of Intellectual Property Rights enforcement, partnering with industry, other federal agencies and foreign governments to fight cross-border trade of harmful and dangerous illicit goods.

When rights holders record their federally registered trademarks and copyrights with CBP, the agency can enforce those rights to protect them at the border. As of September 30, 2021, CBP was enforcing **20,758** active recorded copyrights and trademarks. In FY2021, CBP seized **27,107** shipments with IPR violations. If the seized products were genuine, the total manufacturer's suggested retail price (MSRP) of the items would have been valued at over **$3.3 billion**. This represents a **152 percent** increase compared to FY2020, when goods valued at $1.31 billion MSRP were seized for IPR violations. A return to pre-pandemic trading levels and an overall increase in the number of CBP seizures of counterfeit products account for the significant rise in MSRP.

CBP received and responded to **711** inquiries from the field concerning IPR enforcement in FY 2021. This represents a **57 percent** increase from FY2020. At the end of FY2021, CBP was administering **128** active exclusion orders issued by the U.S. International Trade Commission following investigations of unfair import practices in the importation of articles into the United Sates in violation of 19 U.S.C. § 1337, the majority of which are based on allegations of patent infringement.

Additionally, in May 2021, CBP signed a memorandum of understanding with the U.S. Chamber of Commerce on information sharing to enhance intellectual property rights enforcement. The joint initiative established a first-of-its-kind framework for public-private collaboration on combating counterfeit and pirated goods.

Commercial Targeting and Analysis Center (CTAC) – Safety in Numbers

The Commercial Targeting and Analysis Center (CTAC), led by CBP, is comprised of multiple, co-located partner government agencies responsible for targeting and intercepting commercial shipments that pose a threat to the health and safety of Americans. The CTAC facilitates information sharing and leverages the collective resources of participating government agencies to prevent, deter, interdict and investigate violations of U.S. import and export laws. A total of **12** federal agencies have signed memorandum of understanding agreements to be able to share targeting information as part of CTAC. During FY2021, CTAC facilitated efforts that led to **12,853** seizures of products posing health and safety risks to the American public. The total domestic value of these import safety seizures was over **$207 million.** Additionally, during FY2021, CTAC activities resulted in **531** seizures because of wildlife trafficking violations with a total domestic value of **$991,540**.

Modernizing Trade Systems

eCERT

For many types of commodities, an endorsement by a foreign government or its representative is required to signify shipments are authorized for export to the United States. This endorsement often is in the form of an export certificate, certificate of eligibility, or a license that describes the type and quantity of merchandise contained in the shipment, certifies the country of origin and authorizes the shipment to be charged against any applicable quota.

CBP developed the Electronic Certification System, or eCERT, to allow participating foreign countries to transmit export license/certificate data electronically. The system electronically transmits the required export document information, facilitating the administration of quotas and ensuring adherence to certificate limits and expiration. eCert enables CBP to process certificate identification data instantaneously and secure transmissions, protecting certificate confidentially. The system also provides a barrier to prevent the introduction of fraudulent certificates and improves quota compliance and enforcement. In FY2021, eCERT was successfully used to process goods from Uruguay and Mexico.

Customs Broker License Exam

In an effort to modernize the national Customs Broker License Exam (CBLE), CBP created a pilot to test customs broker applicants remotely. The remote exam, which was offered in April and October 2021 to a limited number of participants, provided an avenue for individuals to take the Customs Broker License Exam during the COVID health crisis in a secure, safe environment.

Automated Commercial Environment (ACE) – Update

The Automated Commercial Environment, or ACE, CBP's cargo processing system, continues to be a tremendous benefit for international trade. Through ACE, CBP applies expertise, technology and automation to create streamlined and efficient processes that facilitate safe and legitimate trade and collaborate with private and public partners to target bad actors who seek to circumvent U.S. trade laws.

ACE's automation and process simplification efforts resulted in increased economic benefits for both CBP and the trade community over the past fiscal year. During FY2021, ACE's streamlined processes saved the trade community **$2.25 billion**, a **61 percent** increase over FY2020. This significant increase can be attributed primarily to the trade community's expanded use of the Section 321 and Entry Type 86 processes, which provide more efficient, less complicated entry and release procedures for low-value shipments. Similarly, the ACE system saved CBP **$720.1 million,** a **101 percent** increase from FY2020. This increase is also primarily due to the increase in Entry Type 86 volume. Furthermore, the ACE system reduced processing times by **795,000** hours for the trade community in **five** processes and **10.5 million** hours for CBP in **17** processes, enabling CBP to divert resources to other priorities.

The FY2021 budget did not include ACE enhancement funds as it has in previous years. Approximately **$7 million** in carry-over funds were used to continue supporting enhancements. The enhancements, which have been identified and prioritized in collaboration with the trade community and partner government agency stakeholders, improve and strengthen the system in a number of ways—including improving collections in ACE, expanding data provided to sureties and surety agents in real time, updating the entry summary user interface to include flags for entries either under EAPA investigation or subject to court injunction and aligning drawback processing in ACE with requirements.

Improvements to collections in ACE were funded in FY2021 with **$5.5 million** from the U.S. General Services Administration's Technology Modernization Fund, in addition to **$9.5 million** awarded from the fund in FY2020. These and other funds supported the continued development and deployment of the ACE Collections Module. During FY2021, CBP deployed Release 2 and Release 3 of ACE Collections. Release 2 introduced automated posting of financial transactions for CBP Office of Finance employees. Release 3 consolidated importers' deferred tax statements and group entries onto one statement. It also provided additional electronic payment methods for trade users via the Automated Broker Interface and added the ability to view deferred tax bills in ACE reports.

Next Generation Technology

During FY2021, CBP worked closely with the private sector and other Department of Homeland Security components to explore advanced technologies that will provide a safer supply chain experience. These technologies include centralized ledger, distributed ledger and blockchain, which is a subset of distributed ledger that provides a secure, tamperproof, and permanent record of transactions. CBP believes these advanced technologies have the potential to become a major

component of global supply chains and substantially impact how goods enter the United States. CBP is also considering the use of blockchain for intergovernmental communications.

After several years of evaluating blockchain, CBP shifted its focus in FY2021 to an interoperability approach that will enable members of the trade community to communicate with the government using a variety of technologies. CBP has joined forces with the DHS Science and Technology Directorate to bring interoperability to the world stage. Both the trade community and the government will benefit from this effort, which will ultimately lead to royalty-free standards. Interoperability also will provide businesses with the flexibility of choosing the most efficient way to exchange data with CBP and potentially any system in the world. Furthermore, interoperability will lead CBP into the next generation of modernized systems, allowing the agency to receive and transmit data between traditional and non-traditional trade entities in near real-time. This will generate better quality data much earlier in the supply chain process. Better quality data will enable the government to make earlier determinations and share the responses of those decisions with the trade community.

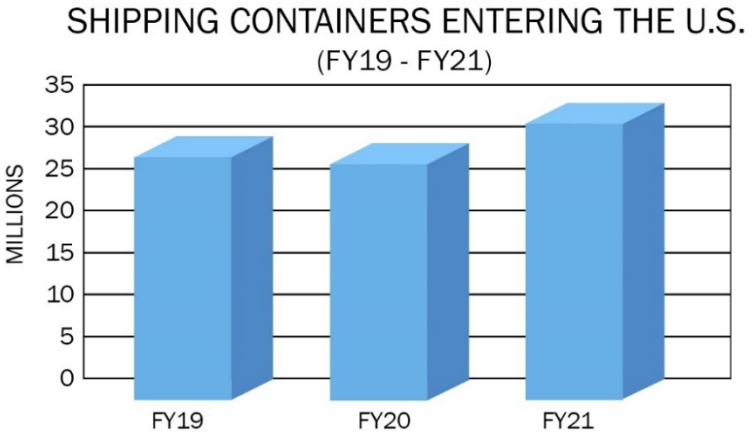
CBP is currently working on **five** projects that demonstrate distributed ledger and blockchain technologies including steel, natural gas, oil, food safety and e-commerce. Each project has four phases that last six to nine months. Through the Silicon Valley Innovation Program, which works with private sector partners to advance homeland security solutions, CBP is trying to obtain pre-arrival/pre-release data for steel and pipeline commodity imports. Technical demonstrations are planned for 2023 and 2024 to achieve **five** objectives before going into production the following year. These objectives include developing fully digital transactions, introducing interoperability standards, receiving data earlier in the pre-arrival/pre-release process, increasing supply chain transparency and enhancing entity identification.

Facilitation and Enforcement of Cargo

Non-Intrusive Inspection Technology

CBP law enforcement personnel use non-intrusive inspection systems (NII) and radiation detection equipment to effectively and efficiently inspect conveyances and vehicles for the presence of contraband and illicit radiological materials. The average NII examination of a cargo container takes approximately **8** minutes, while a physical inspection takes **120** minutes on average. The time saved using NII and radiation detection equipment saves CBP **$1 billion** in annual operations and saves industry **$5.8 billion** to **$17.5** billion in costs due to delays.

CBP officers used over **350** large-scale NII systems at land and sea ports of entry in FY2021to perform approximately **7.8 million** examinations, which led to interdicting more than **189,000** pounds of narcotics; seizing **$5.45** million of undeclared U.S. currency; and identifying over **800** undeclared passengers through anomalies within NII images.



CBP procured and deployed NII systems throughout FY2021 to increase commercial cargo and vehicle scanning capacity at land ports of entry. Two contracts for drive-through NII systems were awarded to increase scanning at the Southwest border land ports of entry. CBP will initiate design and construction work in FY2022 and anticipates full deployment of these systems by calendar year FY2024. After the deployment is completed, commercial cargo scanning is projected to increase from **15 percent** to more than **90 percent.** Similarly, vehicle scanning is expected to increase from **one percent** to approximately **40 percent** where the systems are deployed.

In the rail environment, CBP initiated design and construction to deploy high-energy rail inspection systems at **12** locations. These systems are expected to be fully deployed by FY2023.

Additionally, in FY2021, CBP began to assess standoff detection technology[3] for rapid screening at a distance to address a limited scanning gap in the pedestrian environment at two land ports of entry on the Southwest border. CBP's goal is to use the passive technology during pedestrian processing to enhance officers and agents' situational awareness and to help identify potential weapons or dangerous objects concealed on pedestrians' bodies. The assessments will continue in FY2022 and if the technology and concept of operations are deemed feasible, the technology will remain in the operating environment. CBP also will begin deploying the standoff technology at other suitable locations.

Unified Cargo Processing

CBP opened three additional unified cargo processing centers in Texas at the Hidalgo, Eagle Pass and Brownsville ports of entry on the U.S.-Mexico border during FY2021. An innovative concept, unified cargo processing was initiated by CBP and Mexico's Tax Administration Service (SAT) in 2016 to conduct joint cargo inspections at the facilities of the importing or exporting country. The joint inspections enhance national security and streamline the supply chain, resulting in a **50 percent** or greater reduction of border wait times. Users also report a significant reduction in transit inventory costs. Currently unified cargo processing is operational at **12** U.S. commercial ports of entry along the southern border.

[3] CBP Privacy Impact Assessment, DHS Reference No. DHS/CBP/PIA-017(a). Dated, October 5, 2021.

International Mail

CBP completed a **$45 million** expenditure in FY2021 allocated for critical infrastructure and technology investments to modernize CBP's inspection areas at international mail facilities across the United States. The contract was awarded for the purchase of mail sorting and singulation technology for the John F. Kennedy International Airport, where more than **60 percent** of international mail arrives in the United States. This technology will be linked to state-of-the-art non-intrusive inspection equipment that will increase the volume and speed of mail inspected as well as improve the rate at which CBP is able to detect, hold and seize suspicious mail. CBP also funded the building of additional on-site laboratories to help with secondary examinations at the international mail facilities. Both of these efforts support new enforcement capabilities that will increase mail processing efficiency and security. CBP screens mail at **seven** international mail facilities in the United States to look for smuggled and prohibited goods, intellectual property violations and assist partner government agencies in enforcing laws and regulations.

Opioid Detection Challenge

CBP and the DHS Science and Technology Directorate, along with the U.S. Postal Inspection Service and the Office of National Drug Control Policy, launched the Opioid Detection Challenge in February 2019 as part of a comprehensive government effort to stop the flow of illicit drugs coming into the United States and address the opioid addiction crisis.

The Opioid Detection Challenge, a multistage, open innovation competition, ran from February to December 2019 and awarded **$1.55 million** in cash prizes. The Challenge called upon innovators to submit novel plans for rapid, nonintrusive detection tools that will help find illicit opioids sent through the international mail or express environments. In stage one, a review panel assessed 83 submissions and selected eight finalist teams. Each of the finalists was awarded $100,000. In stage two, the eight finalist teams developed functional prototypes that were prepared for government testing. A major goal of the competition was to create a system that could detect and identify narcotics within a package before a CBP officer opens it.

The grand-prize winner of the competition, Integrated Defense & Security Solutions (IDSS), was awarded **$500,000** in December 2019 for creating a scanner and algorithms for automatic opioid detection. The runner-up, who designed a non-imaging concealed drug detector, was awarded **$250,000.** During FY2021, CBP procured and deployed IDSS's winning technology at several U.S. ports of entry where it has already proven to be successful in the interdiction of concealed narcotics in small packages.

Donations Acceptance Program

CBP approved **three** new partnerships under the Donations Acceptance Program in FY2021. The program, established in FY2015, legally allows CBP to work with border community and trade stakeholders to help equip CBP's frontline officers and trade specialists with the tools and capabilities they need to operate more effectively. Since the program's inception, CBP has approved **43** Donations Acceptance Program partnerships, totaling an estimated **$216 million** in

planned and realized investment in U.S. port of entry improvements and other mission enhancements.

CBP approved a partnership with the Texas Department of Transportation in November 2020. The partnership complements a General Services Administration gift acceptance project that was donated for infrastructure improvements at the Pharr Texas Port of Entry. The project, which is currently under construction, will connect the land port of entry to an adjacent border safety inspection facility. Under the CBP Donation Acceptance Program's authority, the Texas Department of Transportation will be donating closed-circuit television cameras as well as funds for CBP to procure necessary technology equipment to outfit two exit booths.

CBP also approved a donation proposal submitted by the Anzalduas International Bridge Board in June FY2021 for a seventh vehicular lane booth at the Anzalduas Port of Entry. The additional inspection booth will augment the current configuration of the Anzalduas land port and will allow CBP to expedite the crossings of legitimate travelers as well as minimize northbound traffic wait times.

The third partnership CBP approved, in January FY2021, was submitted by the city of Del Rio, Texas, for infrastructure improvements at the Del Rio Port of Entry. The donation includes the construction of a new, two-lane roadway that will establish expedited cargo lanes. The roadway improvement will extend from the base of the Del Rio-Ciudad Acuña International Bridge to the recently constructed cargo lanes, adding 1,700 linear feet of roadway. The proposal also included the donation of the required appurtenances for the new roadway such as drainage, signage, lighting and fencing. Additionally, the donation will assist in reducing commercial northbound traffic to further facilitate legitimate trade and travel.

Furthermore, in FY2021, CBP fully executed acceptance agreements for **four** of its Donations Acceptance Program partnerships including a small-scale project donated by TPI Mexico, LLC at the Santa Teresa Port of Entry. As part of the agreement, TPI Mexico, expanded the entrance of the land port to facilitate the movement of oversized shipments and improve the flow of traffic. TPI Mexico transports oversized wind turbine blades produced in Juarez, Mexico, through the port of Santa Teresa. Over the years, wind turbine blades have increased in size and some shipments have been delayed at the port. Partnerships entered into under the Donations Acceptance Program enhance border security and promote the safe and efficient flow of passenger travel and commercial trade.

Customs Trade Partnership Against Terrorism

The Customs Trade Partnership Against Terrorism (CTPAT) is a voluntary public-private sector partnership program, which recognizes that CBP can provide the highest level of cargo security only through close cooperation with the principal stakeholders of the international supply chain such as importers, carriers, consolidators, licensed customs brokers and manufacturers. From its inception in November 2001, CTPAT has continued to grow. Today, more than **11,000** certified partners, spanning all corners of the trade community, have been accepted into the program. The partners include U.S. importers, exporters, U.S./Canada highway carriers, U.S./Mexico highway carriers, rail, air and sea carriers, licensed U.S. Customs brokers, U.S. marine port

authority/terminal operators, U.S. freight consolidators, third party logistics providers (3PL), ocean transportation intermediaries and non-operating common carriers, Mexican and Canadian manufacturers and Mexican long-haul carriers, all of whom accounted for **52 percent** (by value) of cargo imported into the United States in FY2021.

As a result of the COVID-19 global pandemic, the CTPAT program was forced to pause all validation work in early March 2020. In the interim, to maximize the health of CBP's employees and partners, the program worked diligently to explore alternative approaches to the validation process. Following a successful virtual validation test, a formal program to validate CTPAT members via video conferencing technology was adopted. Virtual validations were extended to a select group of companies that have demonstrated full adherence to the program's requirements, including having a CTPAT on-site validation in the past and incorporating all components of the revised CTPAT minimum security criteria, which became effective in January 2020. CTPAT plans to continue virtual validations as a benefit for select members long-term.

CTPAT partners were required to implement the program's updated minimum security criteria starting in FY2020. As part of the process, in FY2021, CTPAT completed **1,795** validations to certify that CTPAT members both implemented and followed the highest level of supply chain security measures under these new requirements. Additionally, CTPAT accepted **229** Authorized Economic Operator validation certificates from foreign mutual recognition partners during FY2021.While the vast majority of CTPAT members, **98.2 percent**, remained in good standing with the program, CTPAT's enforcement actions led to **142** suspensions and **79** removals in FY2021.

During the fiscal year, CTPAT worked with the University of Houston to conduct an in-depth assessment of the CTPAT program. The primary goals were to identify areas in need of improvement, better understand the program's successful accomplishments, identify cost-benefit enhancements for industry members and the CTPAT program, as well as establish new or build upon existing performance metrics. Results of the assessment were published in the spring of 2021. CTPAT subsequently assembled three working groups tasked with developing a response and strategy to implement the study recommendations into the program. CTPAT's response to the study will be published in FY2022.

CTPAT also began the formal process of closing out its Trusted Trader pilot in FY2021, following the successful integration of CBP's former Self-Assessment (ISA) program into the CTPAT trade compliance branch. This transformed CTPAT into an Authorized Economic Operator program that includes security and trade compliance. As a result, CBP is now aligned with other customs administrations throughout the world and within CBP, the program is seamlessly integrated. Furthermore, as part of CBP's priority to combat forced labor, during FY2021, CTPAT trade compliance collaborated with the Commercial Customs Operations Advisory Committee (COAC) to refine formal program requirements on social compliance that will be rolled out in FY2022.

CTPAT also promoted greater efficiency throughout FY2021. The program enabled CBP officers to reallocate a larger portion of their time to examining high-risk cargo by reducing examination rates for CTPAT members, saving them over **$58 million.**

Finally, efficiencies also were achieved during FY2021 through CBP's Advanced Qualified Unlading Approval (AQUA Lane) program. The program decreased time to market for imports arriving on sea vessels by increasing shipping expediency, ensuring predictability and providing cost-savings for CTPAT members. In FY2021, CTPAT sea carriers that requested to unlade cargo in advance saved more than **$27 million** in total.

Agriculture Inspections

CBP agriculture specialists conducted more than **850,000 million** examinations during FY2021 on imported agriculture or agricultural-related commodities at the U.S. ports. These examinations yielded **62,388** pest submissions that could be harmful to crops, vegetation, and the ecological environment. CBP agriculture specialists examine agriculture imports for potential plant pests and diseases, incorrectly manifested and smuggled items and prohibited animal products and byproducts. As part of their inspection process, CBP agriculture specialists examine wood packaging materials associated with cargo to search for wood boring insects such as Asian long-horned beetles. They also inspect containers and conveyances for hitchhiker pests such as Asian gypsy moths and exotic fruit flies as well as for contamination from prohibited weed seeds, food scrap, or soil.

Perishable Cargo Inspection Request

CBP implemented the agency's new *CBP One*™ desktop and mobile application, a single portal for stakeholders to interact with CBP via mobile devices in FY2021. The feature allows brokers and carriers to request agriculture inspections or other services for perishable cargo such as fruit, flowers and other time-sensitive goods. Currently **nine** U.S. airports have the *CBP One* capability. During FY2021, CBP received nearly **50,000** perishable cargo inspection or service requests from stakeholders and **1.5** million boxes of perishable goods were inspected.

When brokers and carriers request a perishable cargo inspection through the app, they receive live status updates from CBP, alerting them when agriculture specialists, who will be conducting the inspection, are en route to the inspection facility, at the facility and when the inspection is completed. The perishable cargo inspection feature, which was designed for the air environment, provides greater efficiency and transparency for the trade community, saving both time and money. The *CBP One* app is available for Apple and Android devices.

IV. Conclusion

CBP is the face at the border for all travelers and cargo entering the United States. Each day, nearly a half of a million people arrive at 328 U.S. ports of entry by air, land and sea and nearly **$12.2** billion worth of international trade crosses our borders. More than 32,500 CBP officers, agriculture specialists, trade and revenue staff and mission support staff support CBP's critical anti-terrorism mission; enforce import and export laws and regulations of the United States; implement immigration policies and programs; and protect the United States from foreign animal and plant pests, diseases and invasive species that could cause serious damage to U.S. crops, livestock, pets and the environment.